



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 12, 2000

S. 3059

Motor Vehicle and Motor Vehicle Equipment Defect Notification Improvement Act

*As reported by the Senate Committee on Commerce, Science, and Transportation
on September 27, 2000*

SUMMARY

S. 3059 would increase the amount authorized to be appropriated to the motor vehicle safety program that is administered by the National Highway Traffic Safety Administration (NHTSA) from \$98 million to about \$116 million for fiscal year 2001. S. 3059 would establish new criminal penalties and increase existing civil penalties for violating certain motor vehicle safety laws. The bill also would direct the State Department to establish procedures for embassies and consular offices to report to NHTSA on motor vehicle and motor vehicle equipment recalls in foreign countries.

Assuming appropriation of the authorized amount, CBO estimates that implementing S. 3059 would cost \$18 million over the 2001-2005 period. S. 3059 would affect direct spending and revenues; therefore, pay-as-you-go procedures would apply. However, CBO estimates that any such effects would be insignificant.

S. 3059 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

CBO's estimate of the bill's impact on the private sector will be provided later in a separate statement.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 3059 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION^a						
NHTSA Spending Under Current Law						
Authorization Level ^b	81	98	0	0	0	0
Estimated Outlays	80	99	40	14	5	0
Proposed Changes						
Authorization Level	0	18	0	0	0	0
Estimated Outlays	0	10	5	2	1	0
NHTSA Spending Under S. 3059						
Authorization Level	81	116	0	0	0	0
Estimated Outlays	80	109	45	16	6	0

a. In addition, the bill's requirement for the State Department to report on motor vehicle recalls in other countries would cost less than \$500,000 annually.

b. The 2000 level is the amount appropriated for that year for NHTSA's motor vehicle safety program. The 2001 level is the amount authorized under current law.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 3059 will be enacted near the start of fiscal year 2001 and that the amount authorized will be appropriated for 2001. Estimated outlays are based on historical spending patterns for NHTSA. Based on information from the State Department, CBO estimates that it would cost less than \$500,000 annually to notify NHTSA of motor vehicle and motor vehicle equipment recalls in other countries.

The provisions in S. 3059 regarding civil and criminal penalties would affect direct spending and receipts (revenues). The bill would increase maximum civil penalties for violating certain motor safety laws and for tampering with odometers. S. 3059 also would establish criminal penalties for selling motor vehicles or motor vehicle equipment known to be unsafe that result in serious injury or death.

Collections from civil and criminal penalties are recorded in the budget as governmental receipts. These provisions could result in an increase in governmental receipts, but CBO estimates that any such changes would be less than \$500,000 a year. The receipts derived from criminal penalties would be deposited in the Crime Victims Fund and spent in subsequent years. Because any increase in direct spending would equal the criminal penalties collected (with a lag of one year or more), the additional direct spending also would be insignificant.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enacting S. 3059 would result in changes in direct spending and governmental receipts of less than \$500,000 a year.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 3059 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

CBO's estimate of the bill's impact on the private sector will be provided later in a separate statement.

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